



96TH GENERAL ASSEMBLY

State of Illinois

2009 and 2010

SB1625

Introduced 2/19/2009, by Sen. Louis S. Viverito

SYNOPSIS AS INTRODUCED:

40 ILCS 5/3-111	from Ch. 108 1/2, par. 3-111
40 ILCS 5/4-109	from Ch. 108 1/2, par. 4-109
40 ILCS 5/4-117	from Ch. 108 1/2, par. 4-117

Amends the Downstate Police and Downstate Firefighter Articles of the Illinois Pension Code. Provides that, for police officers and firefighters who enter service on or after the effective date of the amendatory Act, pension benefits are based on qualified salary rather than the salary attached to the rank he or she held. Defines "qualified salary" to mean the amount of the monthly earnings obtained by dividing the total earnings received by the police officer or firefighter during the period of the 48 consecutive months of service within the last 120 months of service in which his or her total earnings were the highest. Effective January 1, 2010.

LRB096 03832 AMC 13864 b

PENSION IMPACT
NOTE ACT MAY
APPLY

A BILL FOR

1 AN ACT concerning public employee benefits.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 5. The Illinois Pension Code is amended by changing
5 Sections 3-111, 4-109 and 4-117 as follows:

6 (40 ILCS 5/3-111) (from Ch. 108 1/2, par. 3-111)

7 Sec. 3-111. Pension.

8 (a) A police officer age 50 or more with 20 or more years
9 of creditable service, who is not a participant in the
10 self-managed plan under Section 3-109.3 and who is no longer in
11 service as a police officer, shall receive a pension of 1/2 of
12 his or her qualified ~~the salary attached to the rank held by~~
13 ~~the officer on the police force for one year immediately prior~~
14 ~~to retirement or, beginning July 1, 1987 for persons~~
15 ~~terminating service on or after that date, the salary attached~~
16 ~~to the rank held on the last day of service or for one year~~
17 ~~prior to the last day, whichever is greater.~~ The pension shall
18 be increased by 2.5% of such salary for each additional year of
19 service over 20 years of service through 30 years of service,
20 to a maximum of 75% of such salary.

21 The changes made to this subsection (a) by this amendatory
22 Act of the 91st General Assembly apply to all pensions that
23 become payable under this subsection on or after January 1,

1 1999. All pensions payable under this subsection that began on
2 or after January 1, 1999 and before the effective date of this
3 amendatory Act shall be recalculated, and the amount of the
4 increase accruing for that period shall be payable to the
5 pensioner in a lump sum.

6 (a-5) No pension in effect on or granted after June 30,
7 1973 shall be less than \$200 per month. Beginning July 1, 1987,
8 the minimum retirement pension for a police officer having at
9 least 20 years of creditable service shall be \$400 per month,
10 without regard to whether or not retirement occurred prior to
11 that date. If the minimum pension established in Section
12 3-113.1 is greater than the minimum provided in this
13 subsection, the Section 3-113.1 minimum controls.

14 (b) A police officer mandatorily retired from service due
15 to age by operation of law, having at least 8 but less than 20
16 years of creditable service, shall receive a pension equal to 2
17 1/2% of his or her qualified ~~the salary attached to the rank he~~
18 ~~or she held on the police force for one year immediately prior~~
19 ~~to retirement or, beginning July 1, 1987 for persons~~
20 ~~terminating service on or after that date, the salary attached~~
21 ~~to the rank held on the last day of service or for one year~~
22 ~~prior to the last day, whichever is greater, for each year of~~
23 ~~creditable service.~~

24 A police officer who retires or is separated from service
25 having at least 8 years but less than 20 years of creditable
26 service, who is not mandatorily retired due to age by operation

1 of law, and who does not apply for a refund of contributions at
2 his or her last separation from police service, shall receive a
3 pension upon attaining age 60 equal to 2.5% of his or her
4 qualified ~~the salary attached to the rank held by the police~~
5 ~~officer on the police force for one year immediately prior to~~
6 ~~retirement or, beginning July 1, 1987 for persons terminating~~
7 ~~service on or after that date, the salary attached to the rank~~
8 ~~held on the last day of service or for one year prior to the~~
9 ~~last day, whichever is greater, for each year of creditable~~
10 ~~service.~~

11 (c) A police officer no longer in service who has at least
12 one but less than 8 years of creditable service in a police
13 pension fund but meets the requirements of this subsection (c)
14 shall be eligible to receive a pension from that fund equal to
15 2.5% of the salary attached to the rank held on the last day of
16 service under that fund or for one year prior to that last day,
17 whichever is greater, for each year of creditable service in
18 that fund. The pension shall begin no earlier than upon
19 attainment of age 60 (or upon mandatory retirement from the
20 fund by operation of law due to age, if that occurs before age
21 60) and in no event before the effective date of this
22 amendatory Act of 1997.

23 In order to be eligible for a pension under this subsection
24 (c), the police officer must have at least 8 years of
25 creditable service in a second police pension fund under this
26 Article and be receiving a pension under subsection (a) or (b)

1 of this Section from that second fund. The police officer need
2 not be in service on or after the effective date of this
3 amendatory Act of 1997.

4 (d) For the purposes of this Section, "qualified salary"
5 has the following meanings:

6 (1) for police officers who entered service before the
7 effective date of this amendatory Act of the 96th General
8 Assembly, "qualified salary" means the salary attached to
9 the rank held by the police officer on the police force for
10 one year immediately prior to retirement or, beginning July
11 1, 1987 for persons terminating service on or after that
12 date, the salary attached to the rank held on the last day
13 of service or for one year prior to the last day, whichever
14 is greater, for each year of creditable service; and

15 (2) for police officers who enter service on or after
16 the effective date of this amendatory Act of the 96th
17 General Assembly, "qualified salary" means the amount of
18 the monthly earnings obtained by dividing the total
19 earnings received by the police officers during the period
20 of the 48 consecutive months of service within the last 120
21 months of service in which his or her total earnings were
22 the highest.

23 (Source: P.A. 90-460, eff. 8-17-97; 91-939, eff. 2-1-01.)

24 (40 ILCS 5/4-109) (from Ch. 108 1/2, par. 4-109)

25 Sec. 4-109. Pension.

1 (a) A firefighter age 50 or more with 20 or more years of
2 creditable service, who is no longer in service as a
3 firefighter, shall receive a monthly pension of $1/2$ of his or
4 her qualified salary ~~the monthly salary attached to the rank~~
5 ~~held by him or her in the fire service at the date of~~
6 ~~retirement.~~

7 The monthly pension shall be increased by $1/12$ of 2.5% of
8 such monthly salary for each additional month over 20 years of
9 service through 30 years of service, to a maximum of 75% of his
10 or her qualified ~~such monthly~~ salary.

11 The changes made to this subsection (a) by this amendatory
12 Act of the 91st General Assembly apply to all pensions that
13 become payable under this subsection on or after January 1,
14 1999. All pensions payable under this subsection that began on
15 or after January 1, 1999 and before the effective date of this
16 amendatory Act shall be recalculated, and the amount of the
17 increase accruing for that period shall be payable to the
18 pensioner in a lump sum.

19 (b) A firefighter who retires or is separated from service
20 having at least 10 but less than 20 years of creditable
21 service, who is not entitled to receive a disability pension,
22 and who did not apply for a refund of contributions at his or
23 her last separation from service shall receive a monthly
24 pension upon attainment of age 60 based on his or her qualified
25 salary ~~the monthly salary attached to his or her rank in the~~
26 ~~fire service on the date of retirement or separation from~~

1 ~~service according~~ to the following schedule:

2 For 10 years of service, 15% of qualified salary;

3 For 11 years of service, 17.6% of qualified salary;

4 For 12 years of service, 20.4% of qualified salary;

5 For 13 years of service, 23.4% of qualified salary;

6 For 14 years of service, 26.6% of qualified salary;

7 For 15 years of service, 30% of qualified salary;

8 For 16 years of service, 33.6% of qualified salary;

9 For 17 years of service, 37.4% of qualified salary;

10 For 18 years of service, 41.4% of qualified salary;

11 For 19 years of service, 45.6% of qualified salary.

12 (c) For the purposes of this Section, "qualified salary"
13 has the following meanings:

14 (1) for firefighters who entered service before the
15 effective date of this amendatory Act of the 96th General
16 Assembly, "qualified salary" means the monthly salary
17 attached to his or her rank in the fire service on the date
18 of retirement or separation from service; and

19 (2) for firefighters who enter service on or after the
20 effective date of this amendatory Act of the 96th General
21 Assembly, "qualified salary" means the amount of the
22 monthly earnings obtained by dividing the total earnings
23 received by the firefighter during the period of the 48
24 consecutive months of service within the last 120 months of
25 service in which his or her total earnings were the
26 highest.

1 (Source: P.A. 91-466, eff. 8-6-99.)

2 (40 ILCS 5/4-117) (from Ch. 108 1/2, par. 4-117)

3 Sec. 4-117. Reentry into active service.

4 (a) If a firefighter receiving pension payments reenters
5 active service, pension payments shall be suspended while he or
6 she is in service. If the firefighter again retires or is
7 discharged, his or her monthly pension shall be resumed in the
8 same amount as was paid upon first retirement or discharge
9 unless he or she remained in active service 3 or more years
10 after re-entry in which case the monthly pension shall be based
11 on the firefighter's qualified salary, as that term is defined
12 or subsection (d) of Section 4-109, attached to the
13 firefighter's rank at the date of last retirement.

14 (b) If a deferred pensioner re-enters active service, and
15 again retires or is discharged from the fire service, his or
16 her pension shall be based on the firefighter's qualified
17 salary, as that term is defined or subsection (d) of Section
18 4-109, attached to the rank held in the fire service at the
19 date of earlier retirement, unless the firefighter remains in
20 active service for 3 or more years after re-entry, in which
21 case the monthly pension shall be based on the firefighter's
22 qualified salary attached to the firefighter's rank at the date
23 of last retirement.

24 (c) If a pensioner or deferred pensioner re-enters or is
25 recalled to active service and is thereafter injured, and the

1 injury is not related to an injury for which he or she was
2 previously receiving a disability pension, the 3 year service
3 requirement shall not apply in order for the firefighter to
4 qualify for the increased pension based on the rate of pay at
5 the time of the new injury.

6 (Source: P.A. 83-1440.)

7 Section 99. Effective date. This Act takes effect January
8 1, 2010.